

**Morris Home Abstract Co., Inc.**

301 East Hanover Avenue, Suite 1  
Morristown, NJ 07960  
973-267-0240 Fax: 973-267-4219

Agent for: Chicago Title Insurance Company

February 28, 2019

Ronald Fraser  
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Michael Weinreb  
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**Re:** **File No.:** 19MH65027 and 19MH65027A  
**Loan No.:** 24240  
**Borrower(s):** Fraleg Group Inc., a New York Corporation  
**Premises:** 112 North Walnut Street, and 116 Walnut Street, East Orange, NJ

Dear Mr. Fraser:

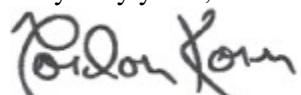
In connection with the above matter, we enclose herewith :

1) **Loan Policy #:723073000-217307726**

If we can provide you with anything further in regard to this matter, please do not hesitate to call.

Thank you very much.

Very truly yours,



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Gordon Korn  
Morris Home Abstract Co., Inc.

Enclosures



**Morris Home Abstract Company**  
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**973-267-0240/Fax:973-267-4219**

Policy No.: 3551-1-19MH65027-2019.723073000-217307726

## **LOAN POLICY OF TITLE INSURANCE**

Issued by

**CHICAGO TITLE INSURANCE COMPANY**

**Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 17 of the Conditions.**

### **COVERED RISKS**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, CHICAGO TITLE INSURANCE COMPANY, a Florida corporation, (the "Company") insures as of Date of Policy and, to the extent stated in Covered Risks 11, 13, and 14, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
  - (a) A defect in the Title caused by
    - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
    - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
    - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
    - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
    - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
    - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
    - (vii) a defective judicial or administrative proceeding.
  - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
  - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (a) the occupancy, use, or enjoyment of the Land;
  - (b) the character, dimensions, or location of any improvement erected on the Land;
  - (c) the subdivision of land; or
  - (d) environmental protection
 if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. This Covered Risk includes but is not limited to insurance against loss from any of the following impairing the lien of the Insured Mortgage
  - (a) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
  - (b) failure of any person or Entity to have authorized a transfer or conveyance;
  - (c) the Insured Mortgage not being properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
  - (d) failure to perform those acts necessary to create a document by electronic means authorized by law;
  - (e) a document executed under a falsified, expired, or otherwise invalid power of attorney;

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## **AGENT FOR CHICAGO TITLE INSURANCE COMPANY**

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### **SCHEDULE A**

**File No.: 19MH65027**

**Policy No.: 723073000-217307726**

**Address Reference:** 112 & 116 North Walnut Street, City of East Orange, NJ

**Amount of Insurance:** \$8,000,000.00

**Date of Policy:** Date of the Recording of the Mortgage

**1. Name of Insured:**

CoreVest American Finance Lender LLC, a Delaware limited liability company its successors and/or assigns.

**2. The estate or interest in the Land that is encumbered by the Insured Mortgage is:**

Fee Simple

**3. Title is vested in:**

**Block 360, Lot 15 (112 North Walnut Street, East Orange NJ):**

Fraleg Group Inc., a New York Corporation, by Instrument Number: 2019034115.

**Block 360, Lot 14 (116 North Walnut Street, East Orange NJ):**

Fraleg Group Inc., a New York Corporation, by Instrument Number: 2019034127.

**4. The Insured Mortgage and its assignments, if any, are described as follows:**

Mortgage in the amount of \$8,000,000.00 and interest made by Fraleg Group Inc., a New York Corporation, to CoreVest American Finance Lender LLC, a Delaware limited liability company dated April 5, 2019, recorded April 12, 2019, by Instrument Number: 2019034120.

**This policy insures that the mortgage herein is a valid first lien.**

**5. The Land referred to in this policy is described as follows:**

See "Legal Description" Schedule attached hereto.

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**SCHEDULE B - PART I**

**EXCEPTIONS FROM COVERAGE**

**File No.: 19MH65027**

**Policy No.: 723073000-217307726**

**Notwithstanding any provision of the policy to the contrary, the following matters are expressly excepted from the coverage of the policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:**

1. The lien of unpaid real estate taxes, water and sewer charges/rents for the year 2019. Taxes paid through the first quarter and water and sewer charges/rents paid to date of closing. Subsequent taxes, water and sewer charges/rents are not yet due and payable. Subject to any outstanding liens.
2. Liability for additional assessments for taxes in connection with new construction pursuant to N.J.S.A. 54:4-63.1, et seq.
3. Covenants, conditions, restrictions and easements which may exist on the land.
4. Acreage or quantity of land is hereby not insured.
5. Subject to rights of tenants under existing leases.
6. Notwithstanding any provision in the policy to the contrary, unless an exception is taken in Schedule B, the policy insures against loss arising from any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title. The following matters shown on a survey made by JTS Engineers and Land Surveyors, Inc., dated January 2, 2015 and continued by Survey Affidavit of no change dated April 5, 2019 **(as to Block 360, Lot 15 (112 North Walnut Street, East Orange NJ)** are added to Schedule B:
  - a) 5 story brick and masonry apartment building 0.16 feet to 0.23 feet over westerly line.
  - b) Fencing along, within and over northerly, southerly and westerly lines, and fencing along and within easterly line.

Title Company insures mortgagee against loss due to enforced removal.

This policy does not insure against errors or inaccuracies in the survey with respect to matters which do not affect title.

-Continued-

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**AGENT FOR CHICAGO TITLE INSURANCE COMPANY**

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**OSCHEDULE B - PART I "Continued"**

**EXCEPTIONS FROM COVERAGE**

**File No.: 19MH65027**

**Policy No.: 723073000-217307726**

**7. As to Block 360, Lot 14 (116 North Walnut Street, East Orange NJ):** Notwithstanding any provision of the policy to the contrary, any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.

COUNTERSIGNED



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Gordon Korn  
Morris Home Abstract Co., Inc.

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**PRO FORMA LOAN FORM**

**SCHEDULE B - PART II**

**File No.: 19MH65027**

**Policy No.: 723073000-217307726**

**In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:**

**NONE**

**COUNTERSIGNED**



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**LEGAL DESCRIPTION  
SCHEDULE**

**File No.: 19MH65027**

**Policy No.: NONE**

**ALL that certain lot, piece or parcel of land lying and being in the City of East Orange, County of Essex, State of New Jersey, and being more particularly described as follows:**

**FOR INFORMATION:** Being known and designated as **Tax Lot 15, Tax Block 360** in the tax records of the City of East Orange.